

TOURISM, ARTS AND HERITAGE CABINET

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MEMORANDUM

Date: September 27, 2011

To: Robert Sherman
Director
Legislative Research Commission

From: Secretary Marcheta Sparrow

Subject: Annual Reporting – Kentucky Tourism Development Act Incentives

Pursuant to KRS 148.8591, please accept this correspondence as the annual report of incentives provided projects approved under the Kentucky Tourism Development Act.

There were eleven developments receiving final approval prior to June 26, 2009. To date, those developments have been awarded a total of \$54,076,154 in incentives under the Act. The first payments began in fiscal year 2000. The table below provides a list of the total amounts awarded each year for projects approved prior to June 26, 2009.

Fiscal Year

'00	\$732,244
'01	\$1,461,852
'02	\$1,156,661
'03	\$4,850,180
'04	\$4,342,261
'05	\$4,934,850
'06	\$6,074,955
'07	\$6,133,234
'08	\$5,978,712
'09	\$7,387,331
'10	\$5,405,627
'11	\$5,618,247
	\$54,076,154

There have been two applications granted final approval for incentives under the Kentucky Tourism Development Act after June 26, 2009. The attached document provides detailed information about each of the projects.

You may contact Todd Cassidy, a member of my staff, or me should you have any questions or require additional information related to this reporting.

July 2010 through June 2011 Approved Kentucky Tourism Development Act Applicants/Incentives Awarded

Approved Company	Date of Approval	Maximum Approved Expenditures	Maximum Tax Credit Approved	Term of Agreement	Tax Incentive Status	Tax Incentive Awarded	Project Overview
Kentucky Raceway, Inc. dba Kentucky Speedway (1)	12/20/2010	\$82,000,000	\$20,500,000	10 years with possible extension of additional 10 years dependent upon the number of annually hosted Legacy Events during the term of the agreement	2	N/A	Expansion of Kentucky Speedway located in Gallatin County
Ark Encounter, LLC	5/19/2011	\$172,000,000	\$43,125,000	10 years	3	N/A	Development of an Entertainment Facility in Grant County including the construction of a full size replica of Noah's Ark.
Total		\$254,000,000	\$63,625,000				

1 - In addition to the 2010 agreement, the Kentucky Speedway may recover incentives not claimed under the existing Kentucky Tourism Development Agreement. That amount has not been determined in that the existing agreement has yet to expire.

2 - Attraction had not been awarded incentives as of June 30, 2011.

3 - Attraction has not opened and incentives will not be awarded until operational.